

ANACONDA Minerals Company

555 Seventeenth Street
Denver, Colorado 80202
Telephone 303 575 4000



May 24, 1982

State of Utah
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Dear Sir:

The Atlantic Richfield Company requests your approval to drill six (6) exploration holes on Wild Horse Ridge, Emery County, Utah (Federal Leases U-020668 and U-38727).

Four of the six holes will be helicopter supported operations. The remaining two will be surface accessed. Approximately one mile of road building is anticipated to access the two ridge top holes and to supply water to the four helicopter accessed holes. We intend to meet all U.S. Forest Service standards in road construction, rehabilitation, and erosion control. We anticipate the need to travel established U.S. Forest Service trails and to construct extensions to those trails.

The holes will range between 600 and 2400 feet in depth. Drilling will be with air, foam, or polymers and water, as conditions dictate. In areas where livestock are present, we will take precautions to keep them away from pits and chemicals. We do not anticipate gas or water flows.

Attached is a map depicting proposed drill sites, proposed road construction, and proposed water line locations. For the helicopter-accessed holes we propose to gravity feed water through rubberized wire braid water hose from the ridge top to the drill site. In addition, enclosed is a copy of our Share Certificate in Huntington-Cleveland Irrigation Co., and a copy of the Designation of Operator forms of the Nevada Power & Light Co. Leases.

We intend to commence drilling in early July, 1982 and complete the program before the end of September, 1982.

We agree to fully comply with 30CFR 211-6 of the operating regulations regarding the reporting of all information obtained by this program. We request that all data be held confidential.

Thank you for your consideration.

Sincerely,

Laurie A. Gregory

Laurie A. Gregory
Geologist

LAG:jmb
attachment

RECEIVED
JUN 01 1982

**DIVISION OF
OIL, GAS & MINING**

Drilling Permit Application
Wild Horse Ridge Tract, Emery County, Utah
(Fee Leases, Federal Lease #U-020668 and U-38727)

*Amended
8/3/82*

Drilling Permit Application
Wild Horse Ridge Tract
Emery County, Utah

(Fee Leases, Federal Lease #U-020668 and U-38727)

Objective:

The Atlantic Richfield Company requests your approval to drill six exploration holes on the Wild Horse Ridge Tract to which Nevada Power & Light has designated Atlantic Richfield as Operator. Two of the drill sites will be accessed by truck mounted drill rigs; on the remaining four holes, the rigs will be flown onto site with a helicopter. The Tract consists of Federal Leases U-38727 and U-020668, and Fee Leases.

The purpose of the drilling is to provide data to define the coal reserves and the mineability of the tract. At present, no drill hole data are available on the tract and extensive burn limits the quality of the outcrop data.

It is anticipated that the project will begin in July 1982 and be completed in August 1982. The surface is Fee and Manti LaSal National Forest Land.

General:

All new construction, improvements and drilling operations will be carried out in such a manner as to prevent soil erosion, water pollution, and unnecessary damage to the Forest or Fee Lands. Design, construction and operations will be such that all forms of encroachment on streams shall be avoided and under no circumstances shall waste material be deposited on or permitted to obstruct natural stream channels.

EQUIPMENT:

The helicopter-accessed drill sites will be constructed, maintained and reclaimed by manual labor; the surface-accessed sites with a D-6 bulldozer. A smaller bulldozer may be used for rehabilitation and clean-up of the access road and surface-accessed drill sites. No blasting will be required to level the helicopter pads or drill sites. The helicopter-accessed sites will be constructed to safely accommodate the following equipment: (1) One, Lama Helicopter - or one, Bell 206III Jet Ranger Helicopter; (2) One, Long year 38 or 44 skid mounted core rig; (3) One, 1000 gallon water tank.

The surface-accessed drill sites and associated roads will be constructed to safely accommodate the following equipment: (1) One, 2500 foot capacity air-rotary rig mounted on a tandem-axle truck; (2) One, 2500 gallon water truck; (3) One, small "electric logging" truck; (4) Pickups and jeeps; (5) One, D-6 bulldozer and one backhoe. It may also be necessary to use additional trucks for hauling air compressors, extra casing and/or drill rod.

Operation Procedure:

The helicopter-transported core rigs will core continuously from the surface to the Star Point Sandstone. The core will be logged and sampled during this operation. The air-rotary rig will drill to specified depths and then spot core through the Tank, Blind (Bear) Canyon and Hiawatha seams. Each hole will be logged with a gamma-density-caliper-resistivity-neutron log suite. Proximate, ultimate and washability analyses will be performed on the Tank, Blind (Bear) Canyon and the Hiawatha seams. The roof and floor associated with the coal seams will be tested for compressive strength.

Water for drilling operations will be taken primarily from streams in Cedar Creek Canyon. No water will be taken from stock ponds unless authorized by the Forest Service. Sufficient water shares are owned by Beaver Creek Coal Company in the Huntington-Cleveland Irrigation Company to supply the water requirements for the drilling and the mine.

Two, 5 x 10 foot pits will be constructed at each rotary drill site. These pits will be lined so as to prevent drilling fluids from entering the groundwater or surface waters. The drill sites will be approximately 50 x 75 feet in size.

DRILL SITES:

No drilling fluid other than water will be allowed to enter lakes, ponds or live streams. The helicopter-transported rigs will contain all drilling fluids in a water tank. On the air-rotary drill sites, it will be necessary to dig two 5 x 10 x 5 foot pits. Precautions will be taken to prevent livestock or game from falling into these pits. Upon completion of each hole, the pits will be pumped dry and backfilled.

Drill sites WHR-1, WHR-2, WHR-3, WHR-4, WHR-5, WHR-6 are located on ridgetops, away from significant drainage.

<u>HOLE NO.</u>	<u>LOCATION</u>	<u>ELEVATION</u>	<u>DEPTH</u>
WHR-1	NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SEC 24 T16S, R7E	8240'	730'
WHR-2	SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC 25 T16S, R7E	8220'	630'
WHR-3	NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SEC 25 T16S, R7E	8230'	730'
WHR-4	NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SEC 30 T16S, R8E	8200'	630'
WHR-5	SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SEC 10 T16S, R8E	9000'	2300'
WHR-6	NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SEC 10 T16S, R8E	9100'	2400'

ROADS:

Less than one mile of road work is anticipated in order to access drill holes WHR-5 and WHR-6, and to access a water tank from which water will be gravity fed to the helicopter drill sites through one inch wire braid rubber hose. Road width will be kept to the minimum possible, consistent with safe travel of the using vehicles. Minimum road width will be 12 feet (dozer blade width). The roads shall be constructed, improved and maintained so as to prevent the accumulation of excessive heads of water and the erosion of the road surface. Cross drainages will be constructed as required.

Clearing and Grubbing:

Clearing of trees and brush will be done only to the minimum extent necessary for safe travel of the equipment using the road and the safe landing of the helicopter. Large trees will be avoided whenever possible. No merchantable timber is expected to be encountered. Prior to road and helicopter pad building, trees to be removed will be flagged and the area inspected by an on-site U.S. Forest Service representative. All refuse from the clearing and grubbing operations will be scattered outside the cleared right-of-way in such a manner as to avoid forming wind rows and piles. No debris from clearing or grubbing operations will be placed in or allowed to obstruct streams, streambeds, lakes or natural meadows.

Rehabilitation:

All holes will be sealed from the bottom of the hole to 20 feet above the top of the highest mineable coal seam. In addition, a 10-foot cement surface plug will be placed in the top of the hole.

Within 30 days after use of access roads and drill sites, the areas will be cleaned and graded according to U.S. Forest Service specifications. Natural drainage will be left in a functioning condition with minimum erosion.

At a time specified by the U.S. Forest Service, all areas in which natural vegetation has been removed will be revegetated with a seed mix to be recommended by the U.S. Forest Service.

All trash will be hauled off the National Forest.

Contractors and operating personnel will be informed of the provisions of this operating plan.

SCHEDULE:

We anticipate that the drilling will last 40-60 days and hope to conduct the operations between July 1982 and the end of September 1982.

BONDING:

Bonding will be handled through Chubb and Sons, 1835 S. Colorado Blvd., Denver, Colorado.

PRIMARY INVESTIGATORS:

M.L. Couchot
Anaconda Minerals Co.
(Coal Exploration)
P.O. Box 5300
Denver, CO 80217
Phone: 575-7556

L.A. Gregory
Anaconda Minerals Co.
(Coal Exploration)
P.O. Box 5300
Denver, CO 80217
Phone: 575-7538

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE:
SERIAL No.: U-38727

and hereby designates

NAME: Atlantic Richfield Company.
ADDRESS: 555 E. 17th/Denver, CO 80202

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

T16S - R73

Sec 24:SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$

Sec 25:NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$,SW $\frac{1}{4}$ NW $\frac{1}{4}$,NW $\frac{1}{4}$ SW $\frac{1}{4}$,SE $\frac{1}{4}$ SE $\frac{1}{4}$

T16S - R8E

Sec 19:Lots 2,3,4, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$,SW $\frac{1}{4}$ SE $\frac{1}{4}$
containing 740.39 acres

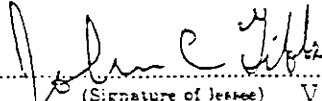
It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

April 21, 1982

(Date)


.....
(Signature of lessee) Vice President
NEVADA ELECTRIC INVESTMENT COMPANY
P. O. Box 230
Las Vegas, Nevada 89151
.....
(Address)

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE:

SERIAL No.: U-020668

and hereby designates

NAME: Atlantic Richfield Company
ADDRESS: 555 E. 17th/Denver, CO 80202

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

T16S - R7E

Sec 25:SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

T16S - R8E

Sec 30: Lots 1-4, W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

Sec 31: NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$
containing 626.32 acres

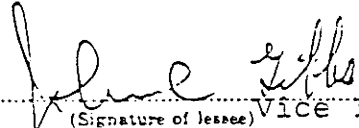
It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

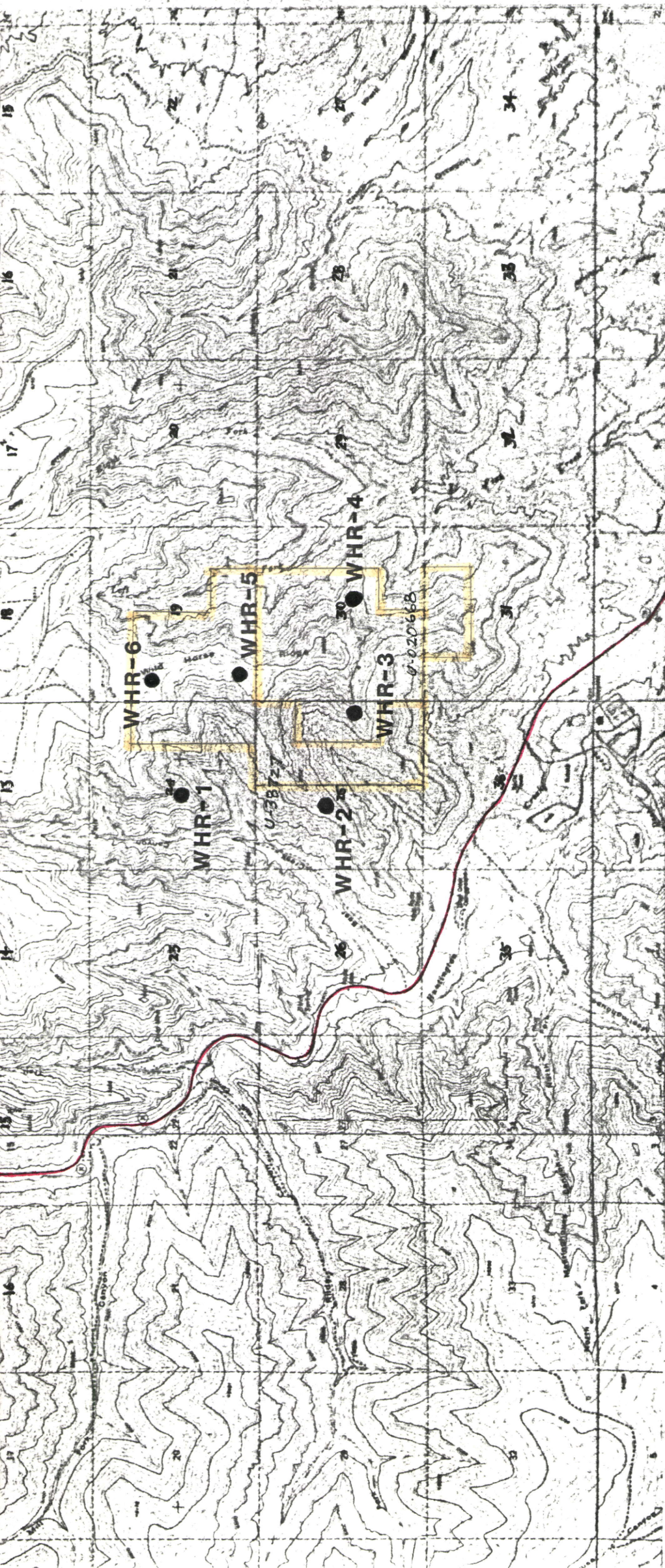
April 21, 1982

(Date)



(Signature of lessee) Vice President
NEVADA ELECTRIC INVESTMENT COMPANY
P. O. Box 230
Las Vegas, Nevada, 89151

(Address)

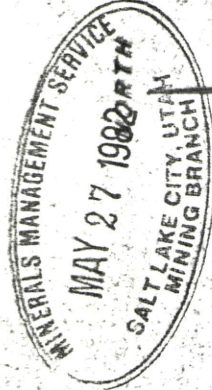


T.16S.
T.17S.

R.7E. | R.8E.

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● PROPOSED DRILLHOLE LOCATIONS



ANACONDA Minerals Company

Division of Atlantic Richfield Company

Emery County, Utah

DRILL PERMIT APPLICATION

WILD HORSE RIDGE TRACT

FEDERAL LEASE # U-38727, U-020668

Prepared by: L. GREGORY

Department: GEOLOGY

Scale: 1"=40,000'

Date: 5-82

INCORPORATED UNDER THE LAWS

UTAH

NUMBER
No. A 730

SHARES
800.00

HUNTINGTON-CLEVELAND IRRIGATION COMPANY

HUNTINGTON, UTAH

Wm. C. Smith, Mgr.

Hardy Coal Company

IS THE OWNER OF

Eight Hundred and no/100 * * * * * SHARES OF THE CLASS A CAPITAL STOCK OF

HUNTINGTON-CLEVELAND IRRIGATION COMPANY
TRANSFERABLE ONLY ON THE BOOKS OF THE CORPORATION ON SURRENDER OF THIS CERTIFICATE
PROPERLY ENDORSED.

*In Witness Whereof, the said Corporation has caused this Certificate to be signed by its
 duly authorized officers and its corporate seal to be hereunto affixed*

this 21 day of May A.D. 1975

[Signature]
SECRETARY

[Signature]
PRESIDENT

